

these provisions will help to ensure an affordable, reliable wood supply upon which so many manufacturing jobs in Maine depend.

Finally, this bill is designed to ensure that only companies that are helping to build America's manufacturing base obtain its benefits. It has both a carrot and a stick approach. Companies that move jobs offshore will see their benefits reduced. For example, they will not be able to claim that 9-percent deduction on operations that are located in the United States. Companies that choose to invert their corporate structure altogether in order to avoid U.S. taxes will not be eligible for this credit at all.

The crisis in the manufacturing sector demands our attention. It did not start yesterday, and it will not be resolved tomorrow. Solutions can and should be sought today.

The bill I have introduced is a good start, but additional remedies are needed. Manufacturing jobs arise in part because some of our trading partners simply do not play by the rules. The Presiding Officer has been a leader in this area. Our Nation's manufacturers can compete against the best in the world, but they cannot compete against nations that provide huge subsidies and other help to their manufacturers.

I hear from manufacturers in my State time and again whose efforts to compete successfully in a global economy simply cannot overcome the practices of the illegal pricing and subsidies of nations such as China. That is why I will soon be introducing a second bill that will help ensure that nations such as China are held fully accountable for their actions by our trade remedy laws. Unfair market conditions cannot continue to cause our manufacturers to hemorrhage jobs.

I am hopeful that working together on this and other legislative and administrative proposals, we can take the important steps needed to strengthen American manufacturers, to preserve our manufacturing capacity, and most of all, to help ensure that hard-working Americans have the jobs they need and deserve.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. I thank the Chair.

(The remarks of Mr. WYDEN pertaining to the introduction of S. 2160 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WYDEN. Mr. President, I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30

a.m. having arrived, the Senate will proceed to the consideration of S. 1637, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

(Strike the part shown in black brackets and insert the part shown in italic.)

S. 1637

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

[(A) SHORT TITLE.—This Act may be cited as the "Jumpstart Our Business Strength (JOBS) Act".]

[(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

[(c) TABLE OF CONTENTS.—

[Sec. 1. Short title; amendment of 1986 Code; table of contents.]

#### TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

[Sec. 101. Repeal of exclusion for extraterritorial income.]

[Sec. 102. Deduction relating to income attributable to United States production activities.]

#### TITLE II—INTERNATIONAL TAX PROVISIONS

##### Subtitle A—International Tax Reform

[Sec. 201. 20-year foreign tax credit carryforward.]

[Sec. 202. Look-thru rules to apply to dividends from noncontrolled section 902 corporations.]

[Sec. 203. Foreign tax credit under alternative minimum tax.]

[Sec. 204. Rec characterization of overall domestic loss.]

[Sec. 205. Interest expense allocation rules.]

[Sec. 206. Determination of foreign personal holding company income with respect to transactions in commodities.]

##### Subtitle B—International Tax Simplification

[Sec. 211. Repeal of foreign personal holding company rules and foreign investment company rules.]

[Sec. 212. Expansion of de minimis rule under subpart F.]

[Sec. 213. Attribution of stock ownership through partnerships to apply in determining section 902 and 960 credits.]

[Sec. 214. Application of uniform capitalization rules to foreign persons.]

[Sec. 215. Repeal of withholding tax on dividends from certain foreign corporations.]

[Sec. 216. Repeal of special capital gains tax on aliens present in the United States for 183 days or more.]

#### TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

##### SEC. 101. REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME.

[(a) IN GENERAL.—Section 114 is hereby repealed.]

[(b) CONFORMING AMENDMENTS.—

[(1)(A) Subpart E of part III of subchapter N of chapter 1 (relating to qualifying foreign trade income) is hereby repealed.]

[(B) The table of subparts for such part III is amended by striking the item relating to subpart E.]

[(2) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 114.]

[(3) The second sentence of section 56(g)(4)(B)(i) is amended by striking "or under section 114".]

[(4) Section 275(a) is amended—

[(A) by inserting "or" at the end of paragraph (4)(A), by striking "or" at the end of paragraph (4)(B) and inserting a period, and by striking subparagraph (C), and

[(B) by striking the last sentence.]

[(5) Paragraph (3) of section 864(e) is amended—

[(A) by striking:

["(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—

["(A) IN GENERAL.—For purposes of"; and inserting:

["(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—For purposes of", and

[(B) by striking subparagraph (B).]

[(6) Section 903 is amended by striking "114, 164(a)," and inserting "164(a)".]

[(7) Section 999(c)(1) is amended by striking "941(a)(5)".]

[(c) EFFECTIVE DATE.—

[(1) IN GENERAL.—The amendments made by this section shall apply to transactions occurring after the date of the enactment of this Act.]

[(2) BINDING CONTRACTS.—The amendments made by this section shall not apply to any transaction in the ordinary course of a trade or business which occurs pursuant to a binding contract—

[(A) which is between the taxpayer and a person who is not a related person (as defined in section 943(b)(3) of such Code, as in effect on the day before the date of the enactment of this Act), and

[(B) which is in effect on September 17, 2003, and at all times thereafter.]

[(d) REVOCATION OF SECTION 943(e) ELECTIONS.—

[(1) IN GENERAL.—In the case of a corporation that elected to be treated as a domestic corporation under section 943(e) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act)—

[(A) the corporation may, during the 1-year period beginning on the date of the enactment of this Act, revoke such election, effective as of such date of enactment, and

[(B) if the corporation does revoke such election—

[(i) such corporation shall be treated as a domestic corporation transferring (as of such date of enactment) all of its property to a foreign corporation in connection with an exchange described in section 354 of such Code, and

[(ii) no gain or loss shall be recognized on such transfer.]

[(2) EXCEPTION.—Subparagraph (B)(ii) of paragraph (1) shall not apply to gain on any asset held by the revoking corporation if—

[(A) the basis of such asset is determined in whole or in part by reference to the basis